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Producers 88-198(R) Texas Paid-Up (2/93)

OIL, GAS AND MINERAL LEASE

	(PAID-UP LEASE)	
THIS AGREEMENT made this 3rd	day of March	. 20 09 between
Cloyd L. Bryant and wife, Rhonda S. Bryant	day of March	, 20 <u>09</u> , between
Cloyd E. Dryant and Wife, Khohda S. Dryant	<u> </u>	
11707 William W. 3.6 Lilly W. 3.60	, Lessor (whether one or more) whose address	ess is
11787 Wilmington Way, Mukilteo, WA, 98275	5	
	and Devon Energy Production Company, L	.P. , Lessee; whose address is
P.O. Box 450, Decatur, Texas 76234	; WITNESSETT	——————————————————————————————————————
Lessor in consideration of Ten or more Dollars, in hand a		
exclusively unto Lessee the lands subject hereto for the purpose of investigation and their respective constituent elements) and all other minerals, (whether usurveys, injecting gas, water and other fluids and air into subsurface strate building roads, tanks, power stations, telephone lines and other structure.	or not similar to those mentioned) and the exclusive right to conduct ta, establishing and utilizing facilities for the disposition of salt water	oil, gas (including all gases, liquid hydrocarbons exploration, geologic and geophysical tests and er, laying pipelines, housing its employees and
Tarrant County, Texas	s, and described as follows:	
0.313 acres of land, more or less, situated in 34, Block 14, Thomas Crossing, an addition thereof recorded in Cabinet A, Slide 4473 &	to the City of Fort Worth, Tarrant County,	ity, Texas, being all of Lot Texas according to the plat
SEE EXHIBIT "A" ATTACHED HERETO	AND MADE A PART HEREOF FOR ADD	ITIONAL PROVISIONS.
This lease also covers and includes all land owned or claimed by Lessor surveys, although not included within the boundaries of the land particular execute any lease amendment requested by Lessee for a more comple purpose of calculating any payments hereinafter provided for, said Land is	rrly described above. The land covered by this lease shall be hereing tee or accurate description of said Land and such amendment shall in	after referred to as said Land. Lessor agrees to
Lessee requests a lease amendment and same is filed of record.	ference to the commencement, prosecution or cessation of operations m") and as long thereafter as oil, gas, or other minerals is produced from the sused herein shall include but not be limited to any or the following:	s and/or production at any time hereunder, this rom or operations are conducted on said Land or preparing drillsite location and/or access road
oil produced and saved from said Land; Lessee may from time to time pure date of purchase or Lessee may sell any royalty oil in its possession and pay the cost of treating the oil to render it marketable pipeline oil or, if there is all gases, processed liquid hydrocarbons associated therewith and any othe used off the premises or for the extraction of gasoline or other product the exceed the amount received by Lessee for such gas computed at the mouth from such sale, it being understood that Lessor's interest shall bear one-eig at the wells; (c) on all other minerals mined and marketed, one-tenth either participating royalty interests, in said Land, whether or not owned by Lesses forth herein. Lessee shall have free use of oil, gas and water from sai injection and secondary recovery operations, and the royalty on oil and gas: 4. If at the expiration of the primary term or at any time or times after or land or leases pooled therewith but oil or gas is not being sold or used (unless released by the Lessee), and it shall nevertheless be considered that of Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit	by Lessor the price received by the Lessee for such oil computed at the no available pipeline, Lessor's interest shall bear one-eighth of the or er respective constituent elements, casinghead gas or other gaseous is perefrom, the market value at the well of one-eighth of the gas so so of the well, and provided further on gas sold at the wells the royalty with of the cost of all compression, treating, dehydrating and transport in kind or value at the well or mine, at Lessee's election. Any royalty are and whether or not effectively pooled by Lessee pursuant to the prior and whether or not effectively pooled by Lessee pursuant to the prior and the computed after deducting any so used. The primary term herein, there is a well or wells capable of product and this lease is not then being maintained by production, operatio oil and/or gas is being produced from said Land within the meaning of	or prevailing for the field where produced on the ewell; Lessor's interest shall bear one-eighth o ost of all trucking charges; (b) on gas, including substance, produced from said Land and sold old or used provided the market value shall no shall be one-eighth of the net proceeds received ting costs incurred in marketing the gas so sold thy interests, including, without limitation, non-crovisions hereof, shall be paid from the royalty essee may conduct hereunder, including watering oil or gas in paying quantities on said Landons or otherwise, this lease shall not terminate of paragraph 2 herein. However, in this event, the address above Bank at
hereunder regardless of changes in ownership of said land or shut-in royalty provided however, in the event said well is located on a unit comprised of a each acre of said Land included in such unit on which said shut-in well is lo fail or refuse to accept such payment, Lessee shall re-tender such payment or terceive such payment or tenders. Such shut-in royalty payment shall be completion of such well, or (c) the date on which oil or gas ceases to be sole (e) the date the lease ceases to be otherwise maintained, whichever be the lamanner and upon like payments or tenders on or before the next ensuing periods of one (1) year each until such time as this lease is maintained by royalty payment shall not be required or, if a shut-in royalty payment is ten payment regardless of how many times actual production may be comment tender any such sum as shut-in royalty shall render Lessee liable for the am or market the minerals capable of being produced from said wells, but in the ordinary lease facilities of flowline, separator, and lease tank, and shall not tenders royalty or shut-in royalty as hereinabove provided, two (2) or mor provided, pay or tender such royalty or shut-in royalty, in the manner above as Lessee may elect.	Ity payments) a sum determined by multiplying one dollar (\$1.00) per all or a portion of said Land and other land or leases a sum determine ocated. If such bank (or any successor bank) should fail, liquidate, or within thirty (30) days following receipt from Lessor of a proper recorded due on or before the expiration of ninety (90) days after (a) the exist dor used, or (d) the date this lease is included in a unit on which a weater date. It is understood and agreed that no shut-in royalty payment anniversary of the due date for said payment, the Lessee shall continued to or operations. However, if actual production commencendered, no additional shut-in payment will be due until the next ensuinced and shut-in during such one (1) year period. Lessee's failure to count due but it shall not operate to terminate this lease. Lessee agree the exercise of such diligence, Lessee shall not be obligated to install of the payment of the payment of the courted to settle labor trouble or to market gas upon terms unacce re parties are, or claim to be, entitled to receive same, Lessee may,	er acre for each acre then covered by this lease, in the property of the succeeded by another bank or for any reason redable instrument naming another bank as agent printation of the primary term, or (b) the date of all has been previously completed and shut-in or as shall be due during the primary term. In like inue to pay such shut-in royalty for successive s within the applicable 90 day period, a shut-in ng anniversary of the due date for said tendered o pay or tender or to properly or timely pay or to the total tendered or produce, utilize in furnish facilities, other than well facilities and eptable to Lessee. If at any time Lessee pays or in lieu of any other method of payment herein
5. (a) Lessee shall have the right and power in its discretion to po covered by this lease or with other land, lease or leases in the vicinity thereone or more of said substances, and may be exercised at any time and from drilled. Pooling in one or more instances shall not exhaust the rights of Lenot conform in size or area with units as to any other stratum or strata, and acres each in area plus a tolerance of 10% thereof, and units pooled for gas is governmental authority having jurisdiction prescribe or permit the creation or permitted by governmental regulations. The pooling for gas hereunder be as may be produced with the unitized gas, and the royalty interest payable execute in writing an instrument or instruments identifying and describing acreage is located. Such pooled unit shall become effective as of the date such unit shall become effective on the date such instrument or instruments any time and from time to time after the original forming thereof by filing established in accordance with the terms hereof shall constitute a valid and executive mineral, royalty, non-participating royalty, overriding royalty or Lessee shall be under no duty to obtain an effective pooling of such other of from any part of the pooled unit which includes all or a portion of said Lam this lease or the date of the instrument designating the pooled unit, shall be Land whether or not the well or wells be located on said Land. The production from a gas pooled unit, and production from a gas well pooled unit. In lieu of royalties above specified, Lessor shall receive on prothe unit bears to the total acreage so pooled in the unit involved, subject to the	of. The above right and power to pool and unitize may be exercised on time to time during or after the primary term, and before or after a sesee to pool said Land or portions thereof into other units. Units for oil units need not conform as to area with gas units. Units pooled for hereunder shall not substantially exceed in area 640 acres each, plus a of units larger than those specified, units thereafter created may come by Lessee shall also pool and unitize all associated liquid hydrocarbor to the total content of the computed the same as on gas. With refer the pooled acreage and file same for recording in the office of the Corporated for in said instrument or instruments, but if said instruments are so filed for record. Any unit so formed may be re-formed, increase an appropriate instrument of record in the County in which said point effective pooling of the interests of Lessor and Lessee hereunder refer leasehold interests in lands within the boundary of any pooled unity of the considered for all purposes, except the payment of royalties, as operation from an oil well will be considered production from the lease or will be considered as production from the lease or gas pooled unit outstanding units opposed and pooled only such portion of the royalty stipular duction from a unit so pooled only such portion of the royalty stipular duction from a unit so pooled only such portion of the royalty stipular	with respect to oil, gas or other minerals, or any a well has been drilled, or while a well is being med by pooling as to any stratum or strata need or oil hereunder shall not substantially exceed 80 a tolerance of 10% thereof, provided that should form substantially in size with those prescribed as and any other respective constituent elements espect to any such unit so formed. Lessee shall county Clerk in the county in which said pooled not or instruments make no such provision, then eased or decreased, at the election of Lessee, at soled acreage is located. Any such pooled unit gardless of the existence of other mineral, non-int which are not effectively pooled therewith. Operations on or production of oil and/or gas oduction was secured before or after the date of eastions on or production of oil or gas from said or oil pooled unit from which it is producing and not from an oil ated berein as the amount of said Land placed in

the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any

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such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record

such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease that Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement shall include other except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata

portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the accessary access to the numerals of the lease in order to have necessary access to that portion and/or strata of the accessary access to the numerals on said Land or lease pooled therewith, this lease shall necessary terms in the product of order substantial portions or production or access pooled therewith, this lease shall nevertheless remain in full force and effect during the primary term hereof, all operations or production ceases on said Land or leases pooled therewith, this lease shall nevertheless remain in full force and effect during the pa understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within meety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more that ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of the leased premises, is reclassified as an oil well. If during the term of this lease, a well or wells are located on adiacent land and within 330 feet of and term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land. Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected draining said Land, Lessee agrees, at its opinion to entire (a) drift such other to wells, as an ordinary product operation round so acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expens

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land without Lessor's consent.

9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U. S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in our party hy regions, by request pages and no change or division in such ownerships and the page of the development of t on Lessee with thirty (30) days after Lessee shall have been furnished, by registered U. S. mail at Lessee's principal place of business, with a certified copy of recorded instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby, nor be grounde for cancellation hereof in whole or in part. In the event I general considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify

be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compinance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of said notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder; but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and in the event Lessee does so it shall be subrogated to such lien with the right to enforce same and annly royalties accruing hereunder toward satisfying sante. When required by

or in part; and, in the event Lessee does so, it shall be subrogated to such lies with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by 12. (a) Should be seen between the form comprying with any express or imprice covernant of this rease, from containing operations direction, or from producing on or gas anticorder preason of searcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covernant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations; and this lease shall innated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein; and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

LESSOR LESSOR LESSOR LESSOR STATE OF COUNTY OF Cloyd L. Bryant and wife, Rhonda S. Bryant This instrument was acknowledged before me on

MISSION ESTA THE THE

Notary Signature:

Printed Name

Notary Public, State of

My Commission Expires:

CRISTETO A BAYLON

EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated the 3rd day of March, 2009 by Cloyd L. Bryant and wife, Rhonda S. Bryant, as Lessor and Devon Energy Production Company, L.P., as Lessee.

- 1. <u>Royalty</u>: Notwithstanding anything contained in this lease to the contrary, wherever the fraction "one-eighth" (1/8th) appears in the printed portion of this lease the same is hereby amended to read "twenty-five percent" (25%).
- 2. <u>Term</u>: Notwithstanding anything contained in the Lease to the contrary, in Paragraph 2, the primary term is hereby amended to read "Two (2) years" and the words "Five (5) years" shall hereby be deleted.
- 3. <u>Costs.</u> It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, or marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, in the event Lessee determines in good faith that it can obtain a higher price at a market located outside of the local market, and Lessee incurs transportation costs charged by an unaffiliated interstate or intrastate gas pipeline in order to enhance the value of the oil, gas or other products, Lessor's pro rata share of such costs may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than the price received by Lessee.
- Assignment. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. In the event of an assignment of any portion of Lessee's interest hereunder, with the exception of assignments being made to officers, directors, and/or subsidiaries of Lessee, Lessee shall deliver to Lessor a copy of the recorded document regarding the interest so assigned. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this Lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this Lease then held by each.
- 5. <u>Waiver of Surface Use; Water; Seismic Operations.</u> Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon or conduct any operations (except for geophysical/seismic operations as stated below) on the leased premises. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands. Lessee shall make all reasonable efforts not to use residential or neighborhood streets or thoroughfares in developing the leased premises, and lands pooled therewith, or otherwise.

Lessee shall not have or acquire any rights in and to the water from the leased premises. No surface water or underground fresh water from the leased premises will be used for any reason,

including water flood or pressure maintenance purposes. Lessee shall comply with all applicable rules in disposition of salt water, brine, or other fluids utilized in or resulting from operations, and shall not cause or permit any such substances to damage or pollute the surface of the leased premises or any fresh water sands lying thereunder. The leased premises shall not be used for salt water disposal.

As provided above, Lessee shall have the right to conduct geophysical/seismic operations, but only by utilizing the vibroseis method, and Lessee shall pay for all actual damages incurred to the leased premises, which directly result from geophysical seismic operations.

Nothing in this Lease shall be interpreted as a waiver by Lessor of any setback or other requirements under the drilling or other applicable ordinances of the Cities of Burleson and/or Ft. Worth or the counties of Johnson and/or Tarrant.

- 6. <u>Noise.</u> Noise levels associated with Lessee's operations related to the drilling, completion and reworking of wells shall be kept to a reasonable minimum, taking into consideration reasonable available equipment and technology in the oil and gas industry, the level and nature of development and surface use elsewhere in the vicinity of Lessee's drill sites and the fact Lessee's operations are being conducted in or near an urban residential area. If Lessee utilizes any non-electric-powered equipment in its operations, including but not limited to compression equipment, Lessee shall take reasonable steps to muffle the sound therefrom by installing a noise suppression muffler or like equipment.
- Regulatory Requirements and Force Majeure. Lessee's obligations under this Lease, whether express or implied, shall be subject to all applicable laws, rules regulations and orders of the Cities of Burleson/Ft. Worth and any other governmental authority having jurisdiction including restrictions on the drilling, and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate because of such prevention or delay, and at Lessee's option, the period o such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this Lease when drilling, production or other operations are so prevented, delayed or interrupted. Lessee shall take all reasonable actions to remove or end any cause of Force Majeure for a period of more than eighteen (18) months or three (3) years of cumulative time. No obligation of Lessee to pay money that has accrued and was due before the Force Majeure event occurred under this Lease will be excused or delayed by reason of such Force Majeure.
- 8. <u>Indemnity.</u> LESSEE SHALL INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, SUCCESSORS, AND ASSIGNS FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, LOSSES AND DEMANDS FOR DAMAGE TO PROPERTY, PERSONAL INJURY OR DEATH, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, EXPERT FEES AND COURT COSTS, ARISING DIRECTLY OR INDIRECTLY FROM ACTIONS, INACTIONS OR OCCUPANCY OF THE LEASE PREMISES OR LANDS POOLED THEREWITH OF AND BY LESSEE OR ITS ASSIGNS OR THE AGENTS, EMPLOYEES, CONTRACTORS OR INVITEES OF EITHER OF THEM.
- 9. <u>Notices; Right to Cure.</u> All notices required or contemplated by this Lease shall be provided in writing to the individual Lessees. All such notices shall be made by registered or certified mail, return receipt requested, unless another means of delivery is expressly stated. No litigation shall be initiated by Lessor with respect to any breach of default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this Lease shall not be forfeited or canceled in whole or part unless Lessee is given a reasonable time (not to exceed 90 days) after said judicial determination to remedy the breach or default and Lessee fails to do so.

Waiver of Claims and Neighborhood Association and Committee Members. Lessor acknowledges that the terms of this Lease, the amount of the royalty and bonus paid hereunder, and all other terms negotiated with Lessee (herein the "Negotiated Terms") with respect to this Lease, were obtained as a result of negotiations between Lessee and the Community consisting of a committee of unpaid volunteers hereafter known as Committee Members. In consideration of the efforts spent by Committee Members in negotiating and obtaining the Negotiated Terms on behalf of Lessor and other property owners, Lessor, on behalf of the Lessor and the Lessor's agents, spouses, co-owners, predecessors, parents, subsidiaries, affiliated corporations or other affiliated entities, successors, partners, principals, assigns, attorneys, servants, employees, heirs, consultants, and other representatives, does hereby release and forever discharge Committee Members, from any and all claims, demand, obligations, losses, causes of action, costs, expenses, attorney's fees, and liabilities of any nature whatsoever, whether based on contract, tort, statutory or other legal or equitable theory of recover, whether known or unknown, past present, or future, which Lessor has, has had, or claims to have against the Committee Members.

SIGNED FOR IDENTIFICATION: Cloyd L. Bryant



DEVON ENERGY PRODUCTION P O BOX 450

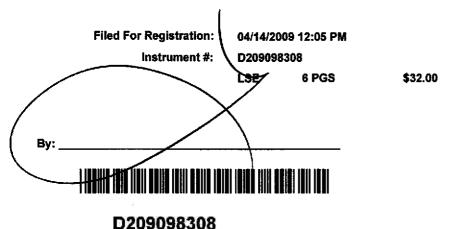
DECATUR

TX 76234

Submitter: DEVON

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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